
110th GENERAL ASSEMBLY

BUDGET SUMMARY SESSION REPORT

2017

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FY 2017-18 BUDGET OVERVIEW

Budget and Reserves

The Total FY 18 State Budget is \$37 billion, a 5.3% increase over FY 17's Total Budget of \$35.3 billion.

General Fund budget reductions total \$89.7 million and 74 positions are eliminated.

The budget adds \$132 million to the Rainy Day Reserve bringing the balance to \$800 million by June 30, 2018.

TennCare reserves are expected to be \$219,334,100 by June 30, 2018.

Taxes (IMPROVE ACT)

The Budget reduces the sales tax on food by 1%; reduces the Hall Income tax from 5% to 4% and eliminates the Hall Income Tax by January 1, 2021.

Increases the Property Tax Relief value level for low-income/elderly to \$27,000 and includes an annual CPI adjustment capped at 3%. 100% Disabled veterans threshold is increased to \$175,000.

Makes changes to the Franchise and Excise Tax enabling taxpayers to estimate payments based on annualized method, decreases from \$1,000 to \$200 the penalty for certain late filings; allows manufacturing taxpayers to use "single weighted sales factor."

Increases the motor vehicle registration fees by \$5; phases in a 6¢ gas tax increase over the next 3 years; phases in a 10¢ diesel tax increase over the next 3 years; establishes a \$100 registration/renewal fee for electric vehicles.

Similar increases to liquefied gas and compressed natural gas.

Employee Salary Policy

Provides a salary policy pool of 3% and 1% for TEAM Act Agencies; 3% for Non-TEAM Act Agencies. For K-12, a 4.0% increase to the BEP salary component, and for Higher Education a pool of funds in the funding formula at over \$42 million. Also, \$22.9 million is available for Market Rate Adjustments after FY 03-04 restoration earmark.

Funds all statutory pay raises for law enforcement, judges, district attorneys, public defenders, attorney general, and TWRA officers. Fully funds the salary survey for state troopers and TLETA officers. Restores FY 03-04 frozen step raises for most statutory positions.

Continues to actuarially fund the State's retirement program for employees and begins funding for "Other Post Employment Benefits (OPEB)."

Continues the \$50 match for the 401(k) program on a recurring basis.

Health and Social Services

Restores on a recurring basis the provider and pharmacy one percent reduction

Increases funding for the Commission on Aging OPTIONS Program.

Law, Safety and Correction

Provides funding to increase local jail reimbursement rate from \$37 to \$39 per day.

Provides funding and positions for the second year of implementing a graduated sanctions system for violations of community supervision (including probation and parole) to reduce admission to state prisons as passed in the Public Safety Act of 2016.

Provides additional staffing for both the District Attorneys General and Public Defenders Conferences to address the increased workload.

Education

Fully funds the BEP and appropriates \$6.2 billion in total funding for K-12 Education.

Additional recurring funding to BEP for additional teachers and translators for English language learner students.

Additional non-recurring funding for career and technical education equipment.

Higher Education

Increases funding for Higher Education by \$149.2 million and appropriates total funding at \$4.4 billion.

Includes \$10 million additional funding for need-based student financial aid.

Replaces the Tennessee National Guard Tuition Assistance Act with the Tennessee Support, Training, and Renewing Opportunity for National Guardsmen (STRONG) Act of 2017.

Transportation, Business and Economic Development

Restores \$120 million non-recurring to the Highway Fund and appropriates an additional \$55 million for TDOT's state aid program. The \$120 million fully restores the previous transfers to the General Fund.

Includes \$10.3 million to implement Year 1 of 3 of the Broadband Initiative and new funds of \$113.5 million committed to increase jobs and grow the economy.

Includes \$21.7 million new dollars for ECD's Rural Development Initiative.

Includes \$12.3 million new dollars for Film, Music and Entertainment incentives.

Capital Outlay and Maintenance

This budget includes no new debt. All capital and FRF projects are funded with cash at \$701 million.

Projects include: \$18 million for West Tennessee Veterans Home; DGS \$30 million State Facility Maintenance Fund;

\$54 million for TCAT improvements - Phase 2; \$44 million for projects at Henry Horton, Pickwick Landing and Paris Landing State Parks; \$30 million for a multi-agency enforcement training center and \$40 million for Library and Archives.

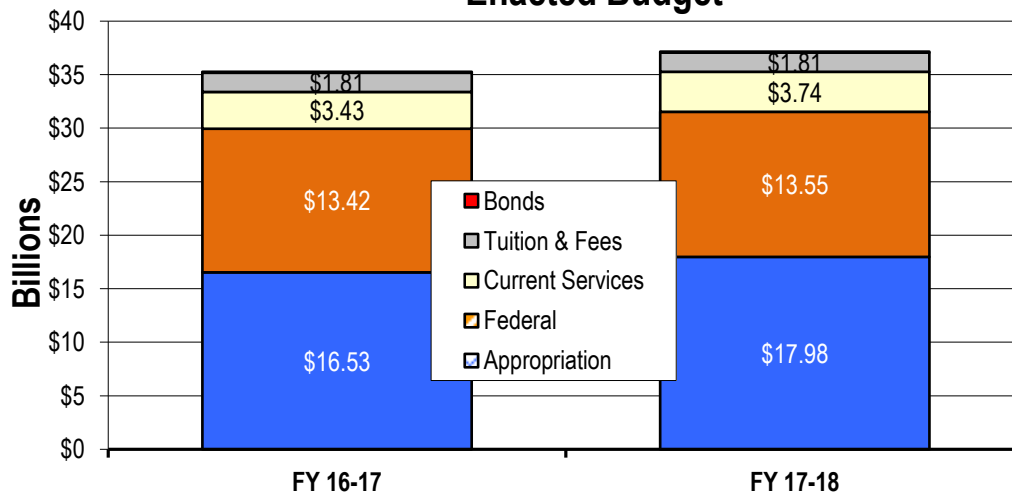
FY 17-18 FINAL BUDGET ACTION TOTAL STATE BUDGET

	Est. FY 16-17	Est. FY 17-18	Change
TOTAL	\$35,279,222,700	\$37,149,567,500	5.3%
Appropriation	\$16,534,304,200	\$17,979,905,700	8.7%
Federal	13,419,721,700	13,548,243,800	1.0%
Current Services	3,432,092,900	3,736,014,100	8.9%
Tuition & Fees	1,805,403,900	1,805,403,900	0.0%
Bonds	87,700,000	80,000,000	-8.8%

Preliminary Estimate

Preliminary Estimate

Enacted Budget



STATE BUDGET FUNDING HISTORY - (Excludes Bonds)

	Total (Billions)	State	Federal	Other	% Change
2004-05	\$24.89	11.08	9.68	4.13	12.6%
2006-07	\$26.03	12.46	9.39	4.18	0.5%
2007-08	\$27.75	13.79	9.56	4.40	6.6%
2008-09	\$29.21	13.54	11.03	4.64	5.3%
2009-10	\$29.68	12.20	12.92	4.56	1.6%
2010-11	\$31.73	12.91	13.97	4.85	6.9%
2011-12	\$31.72	13.73	13.24	4.75	0.0%
2012-13	\$31.28	13.98	12.52	4.79	-1.4%
2013-14	\$32.97	15.09	13.23	4.64	5.4%
2014-15	\$32.86	14.88	13.18	4.79	-0.3%
2015-16	\$33.55	15.58	12.87	5.10	1.8%
Est 2016-17	\$35.19	16.53	13.42	5.24	4.9%
Prelim 2017-18	\$37.07	17.98	13.55	5.54	5.3%

2017 SESSION - NOTED LEGISLATION

	Description	SB	HB	Gen Fund - Fiscal Impact		
				(Decrease) Recurring Exp	(Decrease) Non- Recurring Exp	Gen Fund Revenue
Budget Bills	Appropriation Bill	483	511			
	Bond Bill - Authorizes bonds for transportation projects	485	513			
	Budget Implementation Act - statutory revisions necessary to implementation of the annual appropriations act; restored FY 03-04 frozen statutory pay-raises; clarifies that Human Services administers the food stamp/assistance program.	484	512			
	Copeland Cap - Indexing Bill authorizes state spending to exceed growth in revenues by \$438 million or 2.85 percent	486	514			
Health Care	Nursing Home Assessment	185	142			
Health Care	Ambulance Service Assessment	704	879			
Telecommunications	Broadband - authorizes electric cooperatives to provide cable or video service in addition to providing broadband.	1215	529	\$10,291,600		
Taxes	IMPROVE Act (Increases gas/diesel and other highway fund taxes; reduces Sales Tax on food by 1%; reduces Hall Income Tax 1%; F&A Single weighted sales factor option)	1221	534	\$7,499,500		\$120,425,400
Higher Education	Tennessee Reconnect Act - establishes a last-dollar scholarship for adults to attend a community college tuition-free.	1218	531	\$100,000		
Military	Enacts the Tennessee Support, Training, and Renewing Opportunity for National Guardsmen (STRONG) Act of 2017	1216	530	\$8,950,000		
Higher Education	Expands TN HOPE Teacher's Scholarship	34	329			
Taxes	Hall Income Tax exemption for individuals 100 or older	193	331			
TWRA	Eliminates administrative allocation of fuel tax revenues to General Fund and reallocates portions to locals and Wildlife Resources Fund	230	910	(\$45,800)		
Incarceration	Expands offense of child endangerment to include imminent danger	310	403			

				Gen Fund - Fiscal Impact		
	Description	SB	HB	(Decrease) Recurring Exp	(Decrease) Non- Recurring Exp	Gen Fund Revenue
Incarceration	Authorizes juvenile transfer from juvenile court to criminal court for committing act of terrorism	311	402	\$37,100		
Education	Requires LEAs to compensate substitute retired teachers equally	379	368			
Safety	Requires drive licenses to be printed in vertical format for anyone under 21	384	397			
Treasury	Uniform Unclaimed Property Act	371	420			
Taxes	Removes the cap on state sales tax revenue shared with Gatlinburg and Pigeon Forge for 4 years	409	494	\$1,211,000		(\$3,242,900)
Professions	Exempts those who conduct employment background checks from private investigator licensure requirements	414	778			
Uniform Laws	Adds members to Uniform Acts Commission	452	408	\$3,400		
Education	Senator Douglas Henry Tennessee History Act	864	1169			
Alcohol Beverage Commission	Makes various changes relative to beer wholesalers and other wholesalers licensing and regulations	703	684			
Higher Education	Middle College Scholarship Program	720	980			
Uniform Laws	Process for contesting fraudulent liens against public officials	726	535		\$60,200	
Local Government	Death benefits for local emergency management agency first responders	763	604	\$25,000		
Government Employees	Extends health insurance benefits for surviving spouse and children of first responder killed in the line of duty	822	466	\$19,700		
Coroner	TN Medical Examiner Advisory Council	1016	1027	\$1,400		
Public Employees	Increases death benefits for firefighters, volunteer rescue workers, or law enforcement officers killed in line of duty	1059	1368	\$175,000		
Public Building	Requires public entrance of state buildings to be marked with contrasting color	1079	1381	\$800		

				Gen Fund - Fiscal Impact		
	Description	SB	HB	(Decrease) Recurring Exp	(Decrease) Non- Recurring Exp	Gen Fund Revenue
Criminal Offenses	Elderly and Vulnerable Adult Protection Act	1230	810	\$360,600		(\$7,600)
Criminal Procedures	Reduces expungement fee from \$350 to \$180	1245	418			
Sentencing	Establishes sentencing enhancement factor for defendant illegally in US during commission of felony	1260	1041	\$505,500		
General Assembly Study	Creates task force to study civil rights crimes and cold cases from the civil rights era	1279	1306			
Safety	Requires DOS to provide medical care assistance for retired TN Highway Patrol canine	1286	1353	\$5,100		
Firearms	Authorizes DA general and others to carry firearms subject to POST-certified training	1340	1221			
Military	TN state burial flag for family of deceased person of National Guard	1360	107	\$27,700		
Taxes	Changes property tax classification of telephone companies and cooperatives and discontinues telecommunications ad valorem tax reduction fund	1363	1367			(\$919,200)
Criminal Offenses	Enhances penalty for desecration of place of worship or burial from a class A misdemeanor to a class E felony.	1415	1402	\$35,200		
Education	Administratively attaches the TN Council for Career and Technical Education from DOE to TBR	1418	1412	\$3,900		
Sentencing	Increases penalty for unlawfully possessing a firearm with a prior conviction for a felony	1241	452	\$1,444,100		
Business	TN Uniform Limited Partnership Act	438	484		\$80,000	\$51,300

Senate and House Amendments to the Appropriation Bill

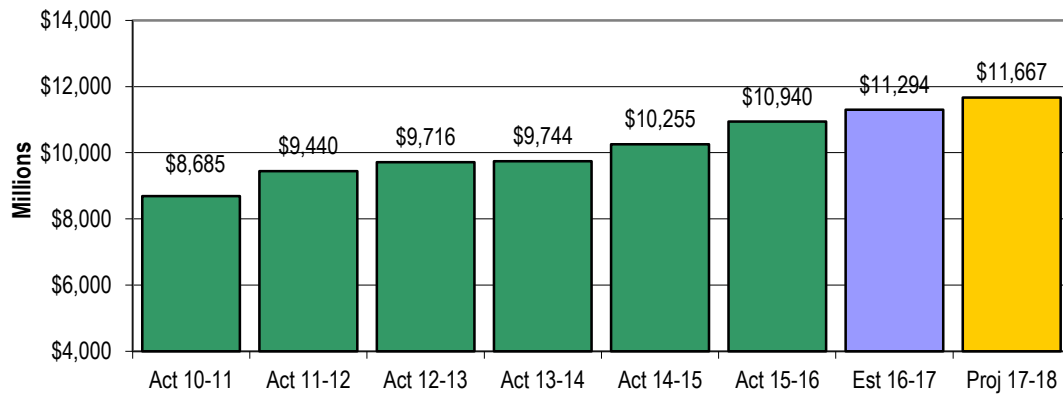
Entity	Purpose	Recurring	NonRecurring	Earmark
Second Harvest Food Bank of Middle Tennessee	The Second Harvest Food Bank of Middle Tennessee shall distribute the funds as follows: 35% 2nd Harvest of Middle TN 25% Memphis Food Bank 20% 2nd Harvest of East TN 10% Chattanooga Food Bank 10% 2nd Harvest of NE TN	1,000,000		
Education	Science Alliance Museums (\$50,000 each location)		350,000	
General Services	Grants to the 4 accredited TN zoos and the TN Aquarium for capital improvements. (\$200,000 each location)		1,000,000	
Economic and Community Development	Host the 2019 NCSL Annual Summit in Nashville, Tennessee - funds shall not revert		250,000	
Tennessee Bureau of Investigation	Expenses related to operation of the Tennessee Methamphetamine and Pharmaceutical Task Force		500,000	
Child Advocacy Centers across the state	Programs, services, and operations - equally among each local Child Advocacy Center 45 @ \$10,000/each		450,000	
West Tennessee River Basin Authority	The Running Reelfoot Bayou Ecosystem Restoration / Flood Risk Study and the Cypress Creek Ecosystem Restoration / Infrastructure Protection Project		450,000	
Department of Mental Health and Substance Abuse Services	An opioid addiction treatment pilot program to provide opioid relapse and alcohol addiction dependence treatment, including non-narcotic medication assisted treatment, to adults who are participating or eligible for participation in a drug court treatment program. It is the intent of the General Assembly that grants be distributed to drug court treatment programs in the three (3) Grand Divisions of the state.		1,000,000	
General Assembly	Adds LBA to certain reporting requirements. (Sentencing Act) and adds reporting requirement for FRF Annual Report			
Environment and Conservation	Expenditures related to events commemorating the Great War Centennial to be held at the Sgt. Alvin C. York State Historic Park		33,000	

Entity	Purpose	Recurring	NonRecurring	Earmark
Orange Grove Center	Transition of operational programs from facility-based to community-based		100,000	
THEC	Fund student financial aid for individuals enrolled in a new medical education program jointly administered by MTSU and MeHarry Medical College		750,000	
City of Mt. Juliet	Acquisition and installation of a guardrail along West Division Street where it borders Eagle Park		10,000	
TWRA	Renovation of the boat ramp - Shelby Forrest			250,000
Commission on Children and Youth	Grant to the TN County Appointed Special Advocate Association - language change for \$2,000 to each of the 30 centers		60,000	
Tennessee Alliance of Boys and Girls Clubs	Expanding the Career and Technical Education Program (CTE) to additional clubs across the state		180,000	
Tennessee Bureau of Investigation	Purchase TBI's airplane		8,000,000	
	Human trafficking grants (equally divided)			
Finance & Administration	Thistle Farms Grow Free Tennessee - Knoxville Second Life - Chattanooga Restore Corps - Memphis End Slavery Tennessee - Nashville		550,000	
Men of Valor	Study on the value of the organization to the state		300,000	
Historical Commission	Maintenance to the historic masonic hall in Williamson County		50,000	
Department of Health	Epilepsy Foundations: Epilepsy Foundation of Middle & West TN; Epilepsy Foundation of SE TN; & Epilepsy Foundation of East TN - statewide program to be used for education, child safety and prevention initiatives. Distribution based on existing percentages.		47,000	

Entity	Purpose	Recurring	NonRecurring	Earmark
TN Film, Entertainment and Music Commission	Production of a movie about the 1899 football team at Sewanee: The University of the South (earmark from Film Commission funding)		1,250,000	1,250,000
Big Brothers, Big Sisters of Middle Tennessee	Equally: Clarksville; Greater Chattanooga; East Tennessee; Mid-South, Inc.; and Middle Tennessee.		100,000	
Andrew Jackson Foundation	Restoration, maintenance, and improvements to the Jackson-era buildings, grounds, and visitor facilities at the Hermitage \$130,000 Church Exterior \$85,000 Cemetery Restoration \$25,000 Visitor Center/Ticket Office Remodeling		240,000	
Finance and Administration	Firefighters memorial - Bedford County		10,500	
Tennessee State Museum	Solely for maintenance, restoration, and operational expenses of the Green McAdoo Cultural Center (earmark from AA - make recurring)	100,000		
Finance & Administration	Redirection of \$100,000 from Historical Commission to Historical Society - FY 13 \$100,000 NR for biographical directory of general assembly			
Commission on Aging	Grant to Senior Citizens, Inc., of Davidson County - divide equally between the 7 regional Fiftyforward Active Aging Centers		350,000	
Finance and Administration	Jobs for Tennessee Graduates to provide one-credit course as a general elective to 12th grade at-risk, high school students		250,000	
Total House and Senate Amendments		\$1,100,000	\$16,280,500	\$1,500,000

STATE TAX REVENUES

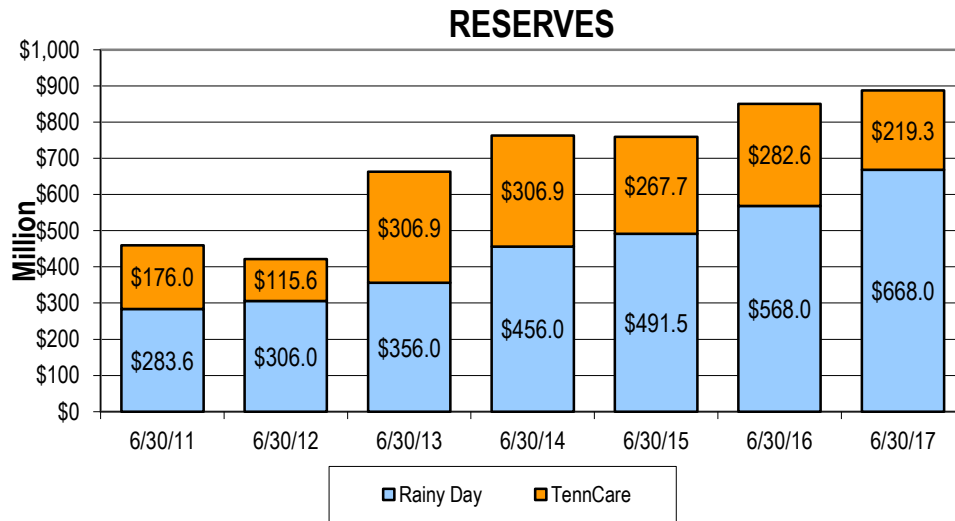
General Fund Revenues



FY 17-18 Reflects IMPROVE Act Reconciliation and Net Impact of Telephone companies property tax rate reclassification.

RESERVES

	Rainy Day	% of GF Rev	TennCare	TOTAL
6/30/11	\$283,600,000	3.0%	\$176,000,000	\$459,600,000
6/30/12	306,000,000	3.1%	115,600,000	\$421,600,000
6/30/13	356,000,000	3.7%	306,877,300	\$662,877,300
6/30/14	456,000,000	4.7%	306,877,300	\$762,877,300
6/30/15	491,500,000	4.8%	267,729,800	\$759,229,800
Est 6/30/16	568,000,000	5.2%	282,624,800	\$850,624,800
Rec 6/30/17	668,000,000	5.9%	187,796,900	\$855,796,900
06/30/18	800,000,000	6.9%	219,334,100	\$1,019,334,100



SALARIES AND BENEFITS

TOTAL - SALARIES AND BENEFITS (funded in FY17-18)	\$505,545,800
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	Recurring	Non-Recurring
State Employees	\$147,367,100	90,700,000
Salary Pool @ 3% - TEAM ACT - Effective 1/1/2018 - Annualized	\$38,748,600	
Salary Pool @ 1% - TEAM ACT - Effective 1/1/2018 - Annualized	\$6,458,100	
Salary Increase @ 3% - Non-TEAM ACT - Effective 7/1/2017	8,388,000	
Market Rate Adjustments - Effective 7/1/2017	22,906,600	
TCRS (Retirement) Contribution Increase - Effective 7/1/2017	64,060,000	
Health Insurance 5% Increase 1/1/2018	6,805,800	
Higher Education	\$48,112,900	
Salary Increase - From Pool of Funds in Funding Formula effective 7/1/2017	\$42,042,900	
Health Insurance 5% Increase 1/1/2018	6,070,000	
K-12	\$118,820,000	
Salary Increase - 4% Increase to BEP Salary Component	\$100,386,000	
Teacher Training & Experience - State Special Schools	111,000	
Teacher Training & Experience - Youth Development Centers	27,000	
TCRS (Retirement) Contribution Increase - Effective 7/1/2017	5,800,000	
Health Insurance for LEA's 6.9% Increase 1/1/2018	12,496,000	
Mandated Salary Increases	\$7,595,800	
Court System	\$520,600	
Attorney General	2,900	
Assistant District Attorneys and Criminal Investigators	1,576,100	
Assistant District Attorneys IV-D Child Support Enforcement	122,600	
Public Defenders (includes Memphis and Nashville)	738,700	
Post-Conviction Defender	35,800	
Governor	3,000	
Safety Step Increases	909,800	
Safety Salary Survey @ 3%	1,930,500	
Law Enforcement Training Academy Step Increases	11,500	
Law Enforcement Training Academy Salary Survey @ 3%	25,200	
TWRA Step Increases	656,500	
TWRA Salary Survey @ 3%	1,062,600	
Retirement	\$92,950,000	\$90,700,000
TCRS Retirement Benefit COLA Increase Effective 7/1/2017	2.10%	
Retiree Health Insurance for Medicare Supplement	\$8,910,000	
Other Post Employment Benefits (OPEB)	62,500,000	90,700,000
Retired Teachers Insurance	21,540,000	

FY 2017-2018 CAPITAL AND MAINTENANCE PROJECTS (Revised 6/27/2017)

FY 2017-2018 CAPITAL APPROPRIATIONS

	County	Total	State	Bonds	Federal	Other
Correction						
Maintenance	Statewide	\$32,500,000	-	-	-	32,500,000
NWCX Kitchen and Vocational Upgrades	Lake	\$4,500,000	-	-	-	4,500,000
Sub-Total		\$37,000,000	\$0	\$0	\$0	\$37,000,000
Children's Services						
Maintenance	Statewide	\$5,200,000	-	-	-	5,200,000
Commerce and Insurance						
Fire Academy new Conference Center	Bedford	\$5,710,000	5,710,000	-	-	-
Education						
Maintenance	Statewide	\$3,250,000	-	-	-	3,250,000
TSD Student Cottage Renovations or Replacements	Knox	\$23,000,000	23,000,000	-	-	-
TSD Interior Doors - Elementary & Middle Schools	Knox	\$240,000	240,000	-	-	-
TSB Centralized Operations Building	Davidson	\$4,870,000	4,870,000	-	-	-
Sub-Total		\$31,360,000	\$28,110,000	\$0	\$0	\$3,250,000
Environment and Conservation						
Maintenance	Statewide	\$6,440,000	5,070,000	-	-	1,370,000
Henry Horton Inn, Restaurant, & Visitor Center	Marshall	\$10,050,000	10,050,000	-	-	-
Trail and Trail Bridge Replacements	Statewide	\$3,300,000	3,300,000	-	-	-
Rocky Fork SP Visitor Center	Unicoi	\$4,290,000	4,290,000	-	-	-
Pickwick Landing SP Inn Renovation	Hardin	\$11,680,000	11,680,000	-	-	-
Paris Landing Inn Replacement	Henry	\$23,070,000	23,070,000	-	-	-
Sub-Total		\$58,830,000	\$57,460,000	\$0	\$0	\$1,370,000
General Services						
Statewide Maintenance	Statewide	\$4,700,000	3,900,000	-	-	800,000
Emergency and Contingency	Statewide	\$5,000,000	5,000,000	-	-	-
AgriCenter International	Shelby	\$1,000,000	1,000,000	-	-	-
Andrew Jackson Fdn. Ch. Chem., Vis. Ctr - Grant	Davidson	\$240,000	240,000	-	-	-
Oliver Springs Historical Society - Grant	Rhea	\$100,000	100,000	-	-	-
Rhea County Courthouse Renovations - Grant	Rhea	\$200,000	200,000	-	-	-
Sullivan County Agriculture Center - Grant	Sullivan	\$750,000	750,000	-	-	-
TN Aquarium and Zoos - Grant	Statewide	\$1,000,000	1,000,000	-	-	-
Sub-Total		\$12,990,000	\$12,190,000	\$0	\$0	\$800,000
Historical Commission						
Maintenance	Statewide	\$2,810,000	-	-	-	2,810,000
Carter House New Visitor Center	Williamson	\$3,120,000	3,120,000	-	-	-
Sub-Total		\$5,930,000	\$3,120,000	\$0	\$0	\$2,810,000
Intellectual and Development Disabilities						
Clover Bottom Cottage and Roof Renovations	Davidson	\$1,290,000	1,290,000	-	-	-
Mental Health & Substance Abuse Services						
Maintenance	Statewide	\$3,030,000	3,030,000	-	-	-
Military						
Maintenance	Statewide	\$3,540,000	375,000	-	1,770,000	1,395,000
Chattanooga RC Building Renovation	Hamilton	\$5,420,000	2,710,000	-	2,710,000	-
Sub-Total		\$8,960,000	\$3,085,000	\$0	\$4,480,000	\$1,395,000
Tourist Development						
Tennessee Music Pathway Phase I	Statewide	\$1,900,000	1,900,000	-	-	-
Veterans Services						
East TN State Veterans Cemetery Expansion	Knox	\$3,515,000	625,000	-	2,890,000	-

FY 2017-2018 CAPITAL APPROPRIATIONS

	County	Total	State	Bonds	Federal	Other
Veterans Home Board						
West TN Veterans Nursing home (Includes \$10 M bridge funding)	Shelby	\$18,000,000	18,000,000	-	-	-
Higher Education						
Maintenance - TBR	Statewide	\$73,650,000	43,330,000	-	-	30,320,000
MSCC Rutherford Co. Teaching Site Addition	Rutherford	\$25,797,500	24,471,000	-	-	1,326,500
ETSU Lamb Hall Renovation	Washington	\$23,000,000	17,250,000	-	-	5,750,000
WSCC Sevier County Campus Addition	Sevier	\$12,040,000	11,250,000	-	-	790,000
VSCC Warf Building Renovation	Sumner	\$4,640,000	4,176,000	-	-	464,000
UoM Music Center	Shelby	\$44,000,000	29,000,000	-	-	15,000,000
CoSCC Finney Library Renovation	Maury	\$6,100,000	5,490,000	-	-	610,000
TCAT Knoxville Satellite Campus	Anderson	\$13,500,000	12,825,000	-	-	675,000
TCAT Memphis Satellite Campus	Shelby	\$11,500,000	10,925,000	-	-	575,000
PSCC Multi-Purpose Building and Renovations	Knox	\$27,000,000	24,300,000	-	-	2,700,000
Statewide TCAT Improvements Phase 2	Statewide	\$54,000,000	51,300,000	-	-	2,700,000
WSCC Greenville Campus Completion	Greene	\$3,400,000	3,400,000	-	-	-
Columbia State CC - Parking Garage	Williamson	\$1,250,000	1,250,000	-	-	-
TBR and Boards of Locally Governed Institutions - Campus Security	Statewide	\$3,950,000	3,950,000	-	-	-
Maintenance - UT	Statewide	\$57,740,000	48,180,000	-	-	9,560,000
UTM New Classroom Building (STEM)	Weakley	\$65,000,000	58,500,000	-	-	6,500,000
UTK Engineering Services Facility	Knox	\$126,000,000	90,250,000	-	-	35,750,000
Sub-Total		\$552,567,500	\$439,847,000	\$0	\$0	\$112,720,500
Grand Total FY 17-18 Projects		\$746,282,500	\$574,367,000	\$0	\$7,370,000	\$164,545,500

Facilities Revolving Fund		County	Total	General Fund Current	FRF Current	Other
Capital Improvement						
THP District 1 HQ Knoxville - Facility	Knox	\$8,500,000	8,500,000	-	-	-
New Regional Intervention program Building	Davidson	\$4,600,000	4,600,000	-	-	-
Multi-Agency Enforcement Training Center	Davidson	\$29,500,000	29,500,000	-	-	-
Statewide Interior Renovation Upgrades Phase II	Davidson	\$15,830,000	15,830,000	-	-	-
West Tennessee Regional Health Office Interior Renovations	Madison	\$3,630,000	3,630,000	-	-	-
Statewide Alternative Workspace Solutions - Various Facilities	Statewide	\$1,890,000	1,890,000	-	-	-
Tennessee Tower 30th Floor Upgrades	Davidson	\$1,000,000	1,000,000	-	-	-
War Memorial Renov. And Legislative Plaza Garage (Planning)	Davidson	\$6,370,000	6,370,000	-	-	-
Mid-Cumberland Regional Health Office Parking Lot	Davidson	\$190,000	190,000	-	-	-
State Museum Storage - Building Renovation	Davidson	\$3,750,000	3,750,000	-	-	-
New State Library and Archives	Davidson	\$50,000,000	40,000,000	-	-	10,000,000
Sub-Total		\$125,260,000	\$115,260,000	\$0	\$10,000,000	
Capital Maintenance						
Tennessee Tower Switchgear	Davidson	\$2,030,000	-	2,030,000	-	-
THP Communication Center Fire Sprinkler System	Davidson	\$990,000	-	990,000	-	-
TLETA HVAC Upgrades	Davidson	\$570,000	-	570,000	-	-
R.S. Gass State lab Generator Replacement	Davidson	\$760,000	-	760,000	-	-
Tennessee Tower Blue Lot Paving and Retaining Wall Repairs	Davidson	\$460,000	-	460,000	-	-
Northeast Regional Health HVAC Upgrades	Washington	\$570,000	-	570,000	-	-
TLETA Audio-Visual Equipment Replacement	Davidson	\$140,000	-	140,000	-	-
TN Tower / Rachel & Andrew Jackson Generator Replacement	Davidson	\$2,890,000	-	2,890,000	-	-
Labor and Workforce Facility 111 E. Lincoln Roof Replacement	Coffee	\$180,000	-	180,000	-	-
East Tennessee Regional Health Office Envelope Repairs	Knox	\$300,000	-	300,000	-	-
Labor and Workforce Facility 1481 Mullins Roof Replacement	Gibson	\$300,000	-	300,000	-	-
Legislative Plaza Fountains	Davidson	\$490,000	-	490,000	-	-
Jackson Supreme Court HVAC and Lighting Upgrades	Madison	\$1,790,000	1,790,000	-	-	-
THP District 2 HQ Chattanooga Roof Replacement	Hamilton	\$940,000	940,000	-	-	-
Johnson/Crockett Exterior Maintenance and Repairs	Davidson	\$6,580,000	6,580,000	-	-	-
DGS Nashville Parking and Site Repairs	Davidson	\$4,120,000	4,120,000	-	-	-
Sub-Total		\$23,110,000	\$13,430,000	\$9,680,000	\$0	
Total FRF (State Dollars)		\$148,370,000	\$128,690,000	\$9,680,000	\$10,000,000	

HOSPITAL COVERAGE ASSESSMENT FEE

Fiscal Year 2017-2018

Senate Bill 0214 / House Bill 0647 continues the hospital coverage assessment for one year.

This fee raises an estimated \$446.6 million that will be used to drawdown \$851.8 million in Federal Matching Funds to temporarily restore the following reductions:

	State	Federal	Total
FY 2009-2010 Base Reductions Restored:			
Essential Access Hospital Payments	34,395,000	65,605,000	100,000,000
Graduate Medical Education	17,197,500	32,802,500	50,000,000
Critical Access Hospital Payments	3,439,500	6,560,500	10,000,000
Medicare Part A Reimbursement	12,227,600	23,322,800	35,550,400
Provider Reimbursement and Co-Pay	60,734,500	115,844,800	176,579,300
Sub-Total	\$ 127,994,100	\$ 244,135,600	\$ 372,129,700
FY 2010-2011 Base Reductions Restored:			
Therapies	6,029,800	11,501,100	17,530,900
Out-Patient Services	25,154,900	47,980,500	73,135,400
Office Visits	19,613,000	37,409,800	57,022,800
Sub-Total	\$ 50,797,700	\$ 96,891,400	\$ 147,689,100
Other Appropriations:			
Disproportionate Share Hospital Payments	28,105,400	53,608,300	81,713,700
Hospital reimbursement Ceiling	14,781,300	28,193,800	42,975,100
Direct Hospital Payments	156,497,200	298,502,800	455,000,000
Non-Emergent Care at Hospitals	577,400	1,101,400	1,678,800
340B Pricing Provision of MCO Contractor Agreement	2,063,700	3,936,300	6,000,000
Sub-Total	\$ 202,025,000	\$ 385,342,600	\$ 587,367,600

LOTTERY FOR EDUCATION ACCOUNT & TENNESSEE PROMISE PROGRAM

Finance, Ways and Means Committee
Page A-39 to A-41, Budget Document

LOTTERY FOR EDUCATION ACCOUNT (Millions):

Appropriation Requirements:

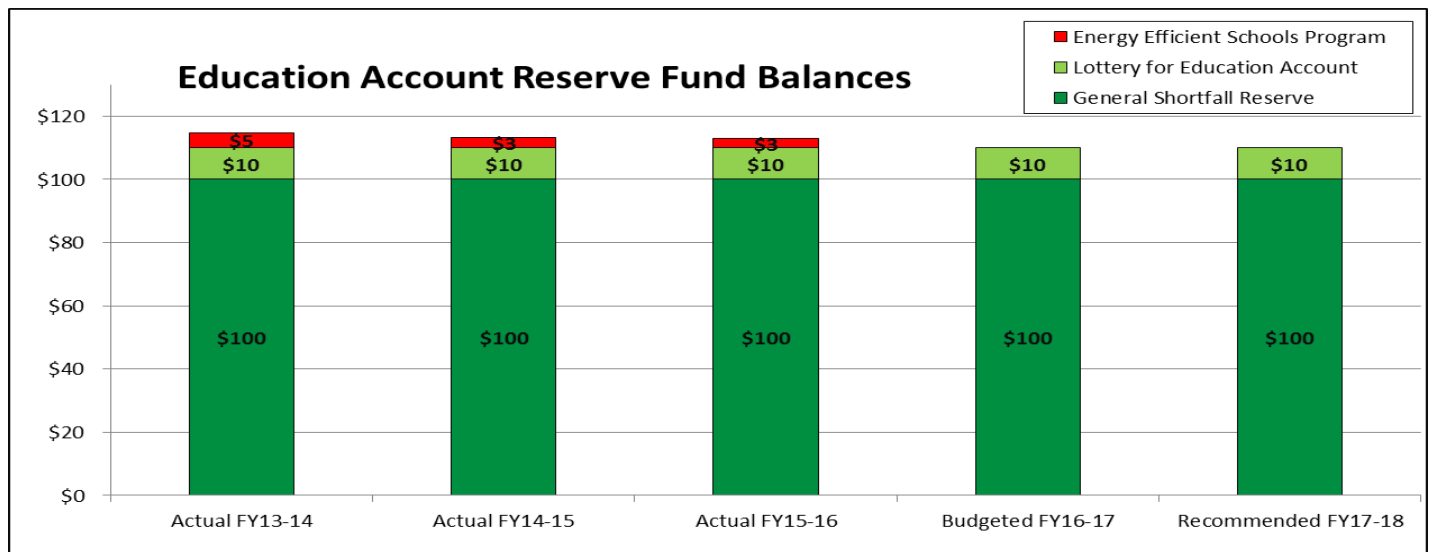
	Actual FY15-16	Estimated FY16-17	Rec. FY17-18	Projected		
				FY18-19	FY19-20	FY20-21
Lottery Scholarships	(\$311.3M)	(\$318.3M)	(\$321.5M)	(\$324.7M)	(\$327.9M)	(\$331.2M)
TSAC Operations	(\$3.2M)	(\$2.4M)	(\$2.4M)	(\$2.4M)	(\$2.4M)	(\$2.4M)
THEC Operations	(\$1.6M)	(\$1.4M)	(\$1.4M)	(\$1.4M)	(\$1.4M)	(\$1.4M)
Transfer to TSAC Student Assistance Awards	(\$6.8M)	(\$6.8M)	(\$6.8M)	(\$6.8M)	(\$6.8M)	(\$6.8M)
Total Requirements	(\$322.9M)	(\$328.9M)	(\$332.1M)	(\$335.3M)	(\$338.5M)	(\$341.8M)

Revenue:

Net Education Lottery Proceeds	\$382.5M	\$378.6M	\$386.2M	\$393.9M	\$401.8M	\$409.8M
Interest on Lottery for Education Account	\$0.1M	\$0.1M	\$0.1M	\$0.1M	\$0.1M	\$0.1M
Unrealized Net Gain or Loss	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
General Shortfall Reserve @ prior year June 30	\$100.0M	\$100.0M	\$100.0M	\$100.0M	\$100.0M	\$100.0M

Lottery for Education Account Reserve at June 30:

General Shortfall Reserve	\$100.0M	\$100.0M	\$100.0M	\$100.0M	\$100.0M	\$100.0M
Lottery for Education Account Reserve	\$10.0M	\$10.0M	\$10.0M	\$10.0M	\$10.0M	\$10.0M
Available to transfer for Tennessee Promise Scholarships	\$59.7M	\$49.8M	\$54.2M	\$58.7M	\$63.4M	\$68.1M
Total Reserve	\$169.7M	\$159.8M	\$164.2M	\$168.7M	\$173.4M	\$178.1M



*Notes: Reduction in Lottery for Education Account Reserve of (\$312,542,000) made in FY13-14 to endow the Tennessee Promise Program.
FY17 and FY18 Balances of the Energy Efficient Schools Program are unknown at this time.*

TENNESSEE PROMISE PROGRAM:

Original Endowment	\$48.8M	\$48.8M	\$48.8M	\$48.8M	\$48.8M	\$48.8M
Additional Endowments	\$312.5M	\$312.5M	\$312.5M	\$312.5M	\$312.5M	\$312.5M
Total Endowment	\$361.4M	\$361.4M	\$361.4M	\$361.4M	\$361.4M	\$361.4M
Transfer from TSAC	\$10.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Transfer of Net Lottery Proceeds	\$25.1M	\$59.7M	\$49.8M	\$49.8M	\$49.8M	\$49.8M
Interest on Endowment @ 3%	\$6.2M	\$20.2M	\$13.2M	\$13.2M	\$13.2M	\$13.2M
Interest on Balance Forward @ 3%	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Total Revenue	\$41.3M	\$79.9M	\$63.0M	\$63.0M	\$63.0M	\$63.0M
Cost of Tennessee Promise Scholarships (estimated # students is 27,500 in SY17; 33,500 in SY18; and 34,000 in SY19)	(\$15.2M)	(\$26.6M)	(\$33.3M)	(\$33.3M)	(\$33.3M)	(\$33.3M)
Cost of Treasury administrative fees	(\$0.6M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)
Surplus or Deficit	\$25.44	\$53.04	\$29.38	\$29.38	\$29.38	\$29.38
Balance Forward	\$25.4M	\$78.5M	\$107.9M	\$107.9M	\$107.9M	\$107.9M